

AMENDED IN SENATE JULY 15, 2010
AMENDED IN SENATE JUNE 22, 2010
AMENDED IN SENATE MAY 28, 2010
AMENDED IN SENATE APRIL 21, 2010
AMENDED IN SENATE JANUARY 25, 2010
AMENDED IN SENATE AUGUST 17, 2009
AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 289

Introduced by Assembly Member Galgiani

February 13, 2009

An act to amend Section 185024 of the Public Utilities Code, and to add Chapter 20.1 (commencing with Section 2704.25) to Division 3 of the Streets and Highways Code, relating to high-speed rail, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 289, as amended, Galgiani. High-speed rail.

Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related

purposes. The federal Passenger Rail Investment and Improvement Act of 2008 (PRIIA) and the federal American Recovery and Reinvestment Act of 2009 (ARRA) ~~provides~~ *provide* funding for allocation nationally to high-speed rail projects.

This bill would identify the corridors eligible for ARRA and PRIIA funds, upon appropriation by the Legislature, and require the authority to work with the Federal Railroad Administration to create a plan for expenditure of the ARRA funds. ~~The bill would set forth the dates for obligation and expenditure of the ARRA funds and dates for completion of various tasks in that regard.~~ These provisions would not apply to the portion of ARRA funds awarded to the Transbay Terminal project in San Francisco.

Existing law provides for appointment of an executive director by the authority, who is exempt from civil service and serves at the pleasure of the authority. *Under existing law, the salary of the executive director is established by the authority and approved by the Department of Personnel Administration.*

This bill, for purposes of ~~overseeing~~ *managing and administering* the ongoing work of the authority in implementing the high-speed rail project, would authorize the Governor, *upon recommendation of the executive director*, to appoint up to 6 additional executive staff exempt from civil service who would serve *in specified positions* at the pleasure of the executive director. *The bill would require the authority to cause a salary survey to be conducted to determine the compensation for the executive director and additional exempt staff, and would require the salaries to be approved by the Department of Personnel Administration.*

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) With the enactment of the federal American Recovery and
- 4 Reinvestment Act (ARRA) (Public Law 111-5) on February 17,
- 5 2009, the federal government made available a grant program in
- 6 which states could apply for up to \$8 billion in federal funds for
- 7 the development of high-speed rail throughout the nation.

(b) On October 2, 2009, the High-Speed Rail Authority (HSRA) submitted to the Federal Railroad Administration (FRA) of the United States Department of Transportation an application for \$4.73 billion in federal funds to further the development of high-speed rail in California.

(c) On January 28, 2010, the federal government awarded the HSRA \$2.25 billion to advance the development of a high-speed rail system in this state.

(d) The HSRA estimates that 90,000 jobs will be created or maintained by the investment of these ARRA funds, along with matching state bond funds, in the dozens of construction projects along the eligible corridors throughout California.

(e) It is necessary to provide the HSRA with unambiguous statutory authority to receive and expend federal funds awarded to the HSRA for the purposes described in its application of October 2, 2009, and consistent with the award of those federal funds.

(f) Moreover, it is in the state's interest to obligate and expend awarded funds as expeditiously as possible and in a manner consistent with the voters' expectations when they approved the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Chapter 20 (commencing with Section 2704) of Division 3 of the Streets and Highways Code) in November 2008, in order to expand job creation and to complete vital infrastructure improvements as soon as possible.

SEC. 2. Section 185024 of the Public Utilities Code is amended to read:

185024. (a) The authority shall appoint an executive director, exempt from civil service, who shall serve at the pleasure of the authority, to administer the affairs of the authority as directed by the authority.

(b) For purposes of managing and administering the ongoing work of the authority in implementing the high-speed train project, upon recommendation of the executive director, the Governor may appoint up to six additional employees, exempt from civil service, who shall serve at the pleasure of the executive director.

~~Pursuant~~ *Pursuant* director. Pursuant to this subdivision, the Governor may appoint employees only for the following positions:

(1) Chief program manager.

(2) Regional director.

1 (3) Chief financial officer.

2 (4) Director of risk management and project controls.

3 (c) The compensation of the executive director and the additional
4 employees authorized by subdivision (b) shall be established by
5 the authority, and approved by the Department of Personnel
6 Administration, in an amount that is reasonably necessary, in the
7 discretion of the authority, to attract and hold a person of superior
8 qualifications. The authority shall cause to be conducted, through
9 the use of independent outside advisers, a salary survey to
10 determine the compensation for the positions under this
11 subdivision. The Department of Personnel Administration may,
12 in its discretion, accept a previously completed salary survey that
13 meets the requirements of this subdivision, and shall review the
14 methodology used in the survey. The salary survey shall consider
15 of both of the following:

16 (1) Other state, regional, and local transportation agencies that
17 are most comparable to the authority and its responsibilities.

18 (2) Other relevant labor pools.

19 The compensation set by the authority shall not exceed the
20 highest comparable compensation for a position of that type, as
21 determined by the salary survey. Based on the salary survey, these
22 positions shall be paid a salary established by the authority and
23 approved by the Department of Personnel Administration.

24 (d) The executive director may, as authorized by the authority,
25 appoint necessary staff to carry out the provisions of this part.

26 SEC. 3. Chapter 20.1 (commencing with Section 2704.25) is
27 added to Division 3 of the Streets and Highways Code, to read:

28
29 CHAPTER 20.1. HIGH-SPEED RAIL IMPLEMENTATION AND
30 OVERSIGHT

31
32 Article 1. General Provisions

33
34 2704.25. As used in this chapter, the following terms have the
35 following meanings:

36 (a) "ARRA" means the federal American Recovery and
37 Reinvestment Act of 2009 (Public Law 111-5).

38 (b) "Authority" means the High-Speed Rail Authority created
39 pursuant to Section 185020 of the Public Utilities Code, or its
40 successor.

1 (c) “Bond act” means the Safe, Reliable High-Speed Passenger
2 Train Bond Act for the 21st Century (Chapter 20 (commencing
3 with Section 2704).

4
5 ~~Article 2. Implementation of the Safe, Reliable High-Speed~~
6 ~~Passenger Train Bond Act for the 21st Century~~
7

8 ~~2704.30. It is the intent of the Legislature to appropriate, in~~
9 ~~the 2010–11 Budget Act, the sum of two hundred thirty million~~
10 ~~five hundred thousand dollars (\$230,500,000) in state bond funds~~
11 ~~from the High-Speed Passenger Train Bond Fund to the authority.~~
12 ~~The state bond funds shall be used to provide a dollar-for-dollar~~
13 ~~match for federal funds received by the state as provided in Section~~
14 ~~2704.50. As these state bond funds are expended by the authority,~~
15 ~~an equivalent amount of federal high-speed rail funds received on~~
16 ~~a reimbursement basis from the federal government shall be~~
17 ~~deposited in the High-Speed Passenger Train Bond Fund to replace~~
18 ~~the expended state bond funds. The deposited federal funds shall~~
19 ~~be used, upon appropriation, for high-speed rail purposes consistent~~
20 ~~with federal law and regulations. Not more than 30 days after~~
21 ~~replacing the expended state bond funds with federal funds, the~~
22 ~~Director of Finance shall notify, in writing, the chair of the~~
23 ~~committees in each house of the Legislature that consider~~
24 ~~appropriations and the chair of the Joint Legislative Budget~~
25 ~~Committee of this action.~~

26
27 ~~Article 3.2. Federal High-Speed Rail Funds~~
28

29 ~~2704.50. The sum of two billion two hundred fifty million~~
30 ~~dollars (\$2,250,000,000) in federal funds made available to the~~
31 ~~state for high-speed rail purposes pursuant to Title XII of Division~~
32 ~~A of the American Recovery and Reinvestment Act of 2009~~
33 ~~(ARRA) A of ARRA shall, upon appropriation by the Legislature,~~
34 ~~be used for (a) planning and engineering for the high-speed train~~
35 ~~system and (b) capital costs, consistent with federal guidelines,~~
36 ~~rules, and regulations, and consistent with the bond act and this~~
37 ~~chapter.~~

38 ~~2704.51. The authority shall take those actions necessary to~~
39 ~~ensure that federal ARRA funds awarded to the state for high-speed~~

1 rail purposes are expended and used in a manner that meets all
2 applicable federal guidelines, rules, and regulations.

3 2704.52. (a) The ARRA funds to be appropriated pursuant to
4 Section 2704.50 shall be available for preliminary engineering,
5 project-level environmental work, mitigation, final design, and
6 construction for the following corridors that were approved by the
7 Federal Railroad Administration, without reference to any
8 individual corridor or corridors:

9 (1) San Francisco to San Jose.

10 (2) Merced to Fresno.

11 (3) Fresno to Bakersfield.

12 (4) Los Angeles to Anaheim.

13 (b) Funds received from the Passenger Rail Investment and
14 Improvement Act of 2008 (PRIIA; Public Law 110-432) for
15 2010–11 shall, upon appropriation, be available for planning and
16 engineering for any of the following corridors, without reference
17 to any individual corridor or corridors:

18 (1) Merced to Sacramento.

19 (2) Los Angeles to San Diego.

20 (3) The Altamont Corridor.

21 2704.53. ~~(a) The authority shall work with the Federal Railroad~~
22 ~~Administration to establish priorities among the four corridors~~
23 ~~specified in subdivision (a) of Section 2704.52 and to create a plan~~
24 ~~for expenditure of ARRA funds to be appropriated pursuant to~~
25 ~~Section 2704.50. Upon finalizing the expenditure plan, the~~
26 ~~authority shall submit a copy of the plan to the Director of Finance~~
27 ~~and to the policy committees with jurisdiction over transportation~~
28 ~~matters and to the fiscal committees in both houses of the~~
29 ~~Legislature.~~

30 ~~(b) The federal funds to be appropriated pursuant to Section~~
31 ~~2704.50 shall be available for obligation and expenditure by the~~
32 ~~following dates specified in ARRA and its implementing~~
33 ~~guidelines, rules, and regulations:~~

34 ~~(1) Completion of environmental review by September 2011.~~

35 ~~(2) Obligation of funds by September 2012.~~

36 ~~(3) Completion of construction by September 2017.~~

37 2704.54. This article shall not apply to ARRA high-speed rail
38 funds awarded to the Transbay Joint Powers Authority for purposes
39 of constructing the Transbay Terminal in San Francisco.

1 SEC. 4. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the Constitution and shall go into
4 immediate effect. The facts constituting the necessity are:

5 In order to ensure that California may secure the maximum
6 amount of funds available for high-speed rail development and to
7 provide for necessary staff in that regard as quickly as possible, it
8 is necessary that this act take effect immediately.

O